

## IP News at a glance!

- Victory for Champagne at the .IN Registry
- IPAB removes 'Financial Times' from Indian register
- 'AYUR' a generic word in India: IPAB
- Copyright Amendments 2012

## INSIGHT

### Champagne's .IN victory: An eye opener for ICANN?



Recently, Comité Interprofessionnel du Vin de Champagne (CIVC), the French body administering the rights in the geographical indication 'CHAMPAGNE' was granted a

favourable order by the National Internet Exchange of India (NIXI). CIVC had filed a complaint before NIXI in accordance with the INDRP (.IN Dispute Resolution Policy) read with the INDRP Rules of Procedure seeking the transfer of the domain name "champagne.in" registered by an Indian entity called 'India Portals' based in Mumbai.

CIVC alleged that India Portals, who had registered nearly 530 generic words as domain names without any intention of using these, never responded to its requests for transfer of the subject domain to CIVC, thereby leading it to file a complaint before NIXI. CIVC's complaint before NIXI was based on its registration of

the geographical indication 'CHAMPAGNE' under the Indian Geographical Indications of Goods (Registration & Protection) Act, 1999 ('GI Act'). The thorny issue for CIVC in establishing its rights before NIXI was whether the registration of CHAMPAGNE under the GI Act would fall under the types of disputes listed in paragraph 4 of the INDRP which reads as follows:

#### **"4. Types of disputes**

*Any person who considers that a registered domain name conflicts with his legitimate rights or interests may file a complaint to the .IN Registry on the following premises:*

- The registrant's domain name is identical or confusingly similar to a name, trademark or service mark in which the complainant has rights;*
- The Registrant has no rights or legitimate interest in respect of the domain name; and*
- The Registrant's domain has been registered or is being used in bad faith*

*The Registrant is required to submit to a mandatory Arbitration proceeding in the event that the Complainant files a complaint to the .IN Registry in compliance with this Policy and Rules thereunder".*

One of the main grounds in the complaint was that India Portals had registered the subject domain name in bad faith in that it had been in the habit of registering various domain names, both proprietary and common words, without having any legitimate interest or intention of using them. In arriving at an opinion on this issue, NIXI referred to paragraph 6(ii) of the INDRP which is as follows:

#### **"6. Evidence of registration and use of domain name in bad faith**

*For the purposes of paragraph 4(iii), the following*

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*circumstances, in particular, but without limitation, if found by the Arbitrator to be present, shall be evidence of the registration and use of a domain name in bad faith:*

.....

*(ii) the Registrant has registered the domain name in order to prevent the owner of the trade mark or service mark from reflecting the mark in a corresponding domain name, provided that the Registrant has engaged in a pattern of such conduct”*

As is evident from the quoted paragraphs of the INDRP, there is no reference whatsoever to rights of complainants in the form of registered geographical indications; the only reference being in respect registered trademarks or service marks.

While issuing the award in favour of CIVC, the Arbitrator made a reference to the exclusion of ‘geographical indication’ from paragraph 6(ii) of the INDRP and observed as follows:

*“A plain reading of INDRP 6(ii), it can be seen that the words used are registered TRADEMARK OR SERVICE MARK. It does not include geographical indications. Strictly speaking, the Complainant does not have [sic] registered Trademark or Service mark. However, going by the legislative intentions and looking beyond the literal meaning or interpretation of the said policy, similar weightage or importance can be assigned to geographical indications as is attached to trademark or service mark. Moreover whenever a third party has attempted to register any trade mark containing the word ‘Champagne’, the same is successfully opposed by the Complainant before Trade Mark Registry in India. The said third parties have withdrawn their applications after such opposition by the Complainant. .... ”*

Contrasting and comparing this decision with a decision of the WIPO Arbitration and Mediation Center dated June 21, 2011 wherein CIVC’s request to transfer the domain name <<champagne.co>>, owned by a UK based entity called Tucows Inc., was rejected by the arbitrator therein, NIXI’s approach is a fresh and much needed approach. In that case, the arbitrator found that geographical indications were outside the scope of the UDRP policy by relying on the WIPO Final Reports on the First Domain Name Process and Second Domain Name Process. It was specifically pointed out by the arbitrator

therein that WIPO Final Report on the Second Domain Name Process declined to recommend any extension of the UDRP to protect geographical indications and acknowledged that there were existing international norms that prohibited false and deceptive indications of geographical source on goods, but noted that those norms were confined to the use of terms on goods, and that there was no uniformly agreed international list of geographical indications. Further, the report concluded that the international framework needed to be further developed before the use of geographical indications as domain names could be adequately addressed.

Holding back the extension of the UDRP to geographical indications on the ground that there was no uniformly agreed international list of geographical indications is inequitable especially in view of the high importance of these rights to certain jurisdictions of the developing world as well as Europe. Further, in view of the fact that ‘Champagne’ had been protected in the United Kingdom, a common law jurisdiction, through court actions since the 1960s, the said ruling was rather inequitable.

The NIXI decision is perhaps the first decision of its kind where the rights in a registered geographical indication are considered on an equal footing with those in registered trademark or service marks while allowing a complaint. ICANN’s arbitrators may take a leaf out of the NIXI order. The fact that the NIXI order has not merely followed the letter of the INDRP but went behind the legislative intent is apt and of high precedential value, especially since India has a very active Geographical Indications Registry with over 200 registered geographical indications, both domestic and foreign.

CIVC was represented by K&S Partners before NIXI.

## **CASE LAW UPDATE**

### **Battle of the Times: Round 1, IPAB**



**FINANCIAL  
TIMES**

### **THE TIMES OF INDIA**

In a recent battle of sorts played out before the Intellectual Property Appellate Board (IPAB), two newspaper giants, Financial Times Limited (‘FTL’) and Times Publishing House Limited (‘TPHL’) fought bitterly for the trade marks, ‘Financial Times’ and ‘FT’. The IPAB was to decide the fate of the following five actions:

- a) Rectification petition filed by TPHL against the mark 'Financial Times' in class 16 in the name of FTL;
- b) Rectification petition filed by FTL against the mark 'Financial Times' in class 16 in the name of TPHL;
- c) An appeal filed by TPHL against the suo moto order of the Registrar of Trade Marks cancelling its registration of the mark 'Financial Times' in class 16
- d) Rectification petition filed by TPHL against the mark 'Financial Times' in class 9 in the name of FTL; and
- e) Rectification petition filed by TPHL against the mark 'FT' in class 16 in the name of FTL

The interesting matrix of facts involved in these actions were that FTL claimed use of the mark 'Financial Times' in India since 1948 in its trademark application filed in 1987. However, in the rectification action, it was not able to demonstrate such claimed use through cogent evidence at least till 1981. The evidence of use that was submitted by FTL to demonstrate its use in India prior to 1981 consisted of a mention of the said newspaper in the Indian Express in the year 1948, circulation of 350-500 copies in India, documents appointing an advertising agency in 1977 and agent for distribution in 1992. The dilemma of the IPAB, therefore, was that in spite of the obvious reputation established by FTL as well as the consistent and genuine use in respect of the mark 'Financial Times' in India there was no evidence adduced by FTL to demonstrate use of the said mark since 1948 as claimed in the application. The IPAB found that:

*"The use is neither spasmodic, nor is it clandestine, but it is genuine and consistent; may be a tad exclusive. However, we repeat, there is no evidence of user from 1948. FTL had made its application stating that it had used the mark in India from 1948. The user from 1948 has not been proved and therefore, we have to hold that the mark wrongly remains in the Register....."*

As for the rectification actions filed by FTL against TPHL's registration for 'Financial Times' in class 16, the IPAB took note of the knowledge by TPHL of FTL's mark demonstrated through the publicity generated through a 'Financial Times Conference' held in 1981 in India as well as the syndication agreements under which TPHL was publishing certain articles of FTL. IPAB

found these to be strong evidence of TPHL's awareness of FTL's existence as well as its intention to enter India. Accordingly, the rectification was allowed.

As for the rectification by TPHL of FTL's class 9 registration for 'Financial Times', the IPAB allowed the same by taking note that the evidence filed by FTL was in respect of class 16 goods only.

Coming to rectification action filed by TPHL against FTL's registration for 'FT' in class 16, the same was dismissed by IPAB by taking into account the evidence of reputation enjoyed by the mark FT despite the fact that the application was filed on the basis of 'proposed to be used'.

The order was challenged by both parties vide writ petitions before the High Court of Delhi and the High Court has since stayed the order and posted the matter for hearing in October 2012. In view of Section 47 (1)(b) of the Trade Marks Act, 1999 which states that, 'up to a date three months prior to the date of the application, a continuous period of 5 years from the date on which the trademark is actually entered in the register, or longer had elapsed, during which the trade mark was registered and during which there was no bona fide use thereof, in relation to those goods or services by any proprietor thereof for the time being', it is not a surprise that the High Court stayed the order.

### **IPAB cuts short the 'life' of 'AYUR'**

India is the land of 'Ayurveda' or the 'science of life'. 'AYUR' means 'life' and is usually associated in public consciousness with 'Ayurveda' and 'healthy life'.

IPAB in this case was dealing with five rectification petitions filed by Hindustan Unilever Limited ('HUL') against the mark 'AYUR' registered in the name of Three-N-Products (P) Ltd ('TNP') in classes 3 and 5. The genesis of the rectification actions were a suit filed by TNP against HUL in a District Court in Kerala claiming that HUL's mark 'LEVER AYUSH' violated TNP's rights in the registrations for the mark 'AYUR'.

HUL, in its rectifications, claimed that AYUR is a commonly used word and a derivative of 'Ayurveda', a 5000 year old knowledge of medicine; that the registrations by TNP were blatantly dishonest and an overreaching attempt to monopolize a word, which was inherently generic and that existence of the mark in the

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Register would obstruct the legitimate rights of various traders and manufacturers of Ayurvedic products, thereby causing a monopoly that would cause confusion and mislead the public.

In defense of its registrations, TNP claimed, inter alia, that it had been using the mark 'AYUR' for over 25 years, that it had domestic and international registrations in several classes, that it had been actively protecting its rights in the mark AYUR which was evident from the 452 oppositions filed against the third party applications, that it had nothing to do with Ayurvedic products and that by virtue of its uninterrupted use spanning over two decades, it deserved continuous protection. In particular, it claimed that the mark 'AYUR' was held by the High Court of Delhi in the year 2000 to be an invented word.

The IPAB was not swayed by the order of the High Court of Delhi for various reasons. One of the aspects that caught the attention of the IPAB was TNP's claim in its company profile that the word 'AYUR' meant 'life', a claim which was contrary to its claim that AYUR was an invented word. Secondly, the IPAB found that TNP's mark AYUR was descriptive if it related to Ayurvedic products and deceptive if it did not and hence on both counts the mark should not have been allowed to be registered. Lastly, the IPAB noted that TNP had filed 452 oppositions against third party marks that contained the elements 'AYU' or 'AYUR', and that public interest would be harmed if this mark remained in the Register thereby preventing access to a common Indian word denoting an ancient system of medicine by other persons in the country.

## LEGISLATIVE UPDATE

### Copyright (Amendment) Act, 2012



The Indian Copyright Act, 1957 ('the Act') has been amended vide the Copyright (Amendment) Act, 2012 and the amendments have taken effect from June 21, 2012. Broadly,

the amendments can be categorized as the 'entertainment industry amendments' and 'miscellaneous amendments'. The entertainment industry amendments are intended to address the rights of performers in their performances as

well as the rights of authors and composers in the works they create. Miscellaneous amendments are directed at, inter alia, creating a new regime for statutory licenses, the need to confer rights on the visually impaired, imposing additional exceptions and limitations to copyright protection and addressing violations of copyright in the digital era. Though India is not a signatory to the Internet Treaties, namely, the WIPO Copyright Treaty and WIPO Phonograms and Performances Treaty, most of the amendments relating to the digital rights are taken from these treaties.

The salient features of the Amendment Act are as follows:

#### ***Entertainment Industry Amendments***

- ▶ ***Author retains copyright in underlying works incorporated in a cinematograph film:*** - Prior to the amendments, the legal position regarding ownership of copyright in the case of underlying works in a cinematograph film was governed by the Supreme Court judgment in *Indian Performing Right Society v. Eastern India Motion Picture Association* [AIR 1979 SC 1443]. According to the said judgment, the copyright in the underlying works incorporated in a cinematograph film was deemed to belong to the producer of the film as owner of copyright unless there was a contract to the contrary between the producer of the film and the author of the underlying works. Due to better bargaining powers, producers of cinematograph films invariably prevailed over the authors of the underlying works to assign all the rights in favour of the producer. Further, in the case of certain works made under contracts of employment, the employer was to be the first owner of copyright in the absence of any agreement to the contrary.

The amendments have sought to nullify the aforesaid legal position by engrafting a new proviso on the rights of producers/ employers to the effect that, in the case of any work incorporated in a cinematograph film, whether through a contract of employment or otherwise, the author of the work may retain the rights in the work referred to therein except to the extent assigned or licensed in respect of use in the cinematograph film.

To illustrate, if A has written lyrics of a song,

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which is a literary work, and has assigned the rights therein to B, a producer of a cinematograph film for incorporation therein, A is still free to use the lyrics or authorize C to use it in a play or even publish it as a poem or recite the same in public.

► **Assignment provisions to favor authors and composers:** - Consistent with the objective of the amendments as aforesaid, the rights of the authors of literary and musical works incorporated in cinematograph films or sound recordings have been strengthened to allow them to benefit from exploitation of these works in media or modes of exploitation other than those assigned as part of a cinematograph film / sound recording. Accordingly, the Amendment Act has made the assignment provisions subject to certain safeguards including the following:

- The assignment shall not be applicable to any medium or mode of exploitation which did not exist or was not in commercial use at the time of assignment;
- Unless there is an agreement to the contrary, the author of any work included in a cinematograph film shall not be entitled to claim any royalties arising from the right of communication to the public of such film in a cinema hall. However, the author shall be free to assign all other rights in respect of such works and would be entitled to receive an equal share in the royalties earned by the respective assignees from utilization of such assigned works in all other forms. In other words, save and except the theatrical mode of exploitation, the non-theatrical modes of exploitation (i.e., home video, internet and television broadcasting, in-flight entertainment etc.) would entitle the authors to an equal share of royalties from the respective assignees of such rights;
- The author of any work included in any sound recording but not forming part of any cinematograph film, shall be entitled to an equal share in the royalties earned by assignees of copyright for any utilization of such sound recording in any form.

► **Copyright societies and assignment:** - In either of the

two scenarios in the last two bullet points above, the author is free to assign the right to receive royalties in favour of the legal heirs or to a copyright society for collection or distribution. If the collection is done by a copyright society, any agreement by the author contrary to the rights assigned to such copyright society shall be void.

► **Cover versions or sound-alike recordings a separate right and no more a defense to copyright infringement:-** Unlike the old Act which made cover versions an exception or defence to copyright infringements, the Amendment Act makes it a separate right by permitting statutory licenses for such recording. Some of the amendments relating to this right which were not found in the old Act are as follows:

- No cover versions shall be made until the expiration of five calendar years after the end of the year in which the first sound recording of the work was made. The time period under the old Act was 2 years;
- The cover versions shall be made in the same medium as the original recording, unless the medium of the original recording is no longer in current commercial use;
- Royalty shall be paid for a minimum of fifty thousand copies of each work during each calendar year in which copies are made.

► **Statutory license for broadcasting of literary and musical works and sound recordings:** - Before the Amendment Act, the public performance rights in respect of sound recordings and underlying literary and musical works used to be administered by the Phonographic Performances Limited (PPL) and Indian Performing Rights Society (IPRS). These societies fixed the tariffs for the public performance of these works. The amendments seek to vest the authority to fix tariffs exclusively with the Copyright Board in respect of exploitation of these performance rights through radio and television broadcasting. This was necessitated by a great deal of arbitrariness on the part of PPL and IPRS in the past in fixing tariffs and the widespread litigation that it spawned in various courts including the Supreme Court. The

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amendments have created a specific mechanism for the radio and television broadcasting organizations to seek permissions for use of the works in question. The following features of the mechanism may be noted:

- The broadcasting organization shall give prior notice of its intention to broadcast the work stating the duration and territorial coverage and shall pay to the owner of rights in each work royalties in the matter and at the rate fixed by the Copyright Board;
- The rates of royalty for radio broadcasting shall be different from television broadcasting;
- The Copyright Board may require the broadcasting organization to pay an advance to the owners of the rights while fixing the rate of royalty;
- The names of the authors and the principal performers of the work shall be announced with the broadcast except when the broadcast is a communication of the work by way of performance;
- No alteration to any literary or musical work, which is not technically necessary for broadcasting except shortening the work for convenience be made without the consent of the owners;
- The broadcasting organization is to maintain records and keep books of account of the broadcasts.

► ***Rights of performers recognized including moral rights:-*** Under the old Act, though performers were granted certain rights, once a performer consented to the incorporation of his or her performance in a cinematograph film, the rights in respect of the performance were deemed to have been waived. The amendments listed below have changed this scenario:-

- The performer would have the right to make a sound recording or a visual recording of the performance and the right to broadcast or communicate the performance to the public except where the performance is already broadcast;
- Once a performer has, by written agreement, consented to the incorporation of his performance in a cinematograph film, he shall not object to the

enjoyment by the film producer of the performer's right therein unless there is a contract to the contrary;

- The performer is entitled to royalties where his performance is put to commercial use;
- Despite assignment of the rights in the performance, a performer shall be entitled to moral rights of paternity (except where omission to mention the performer is dictated by the manner of the use of the performance) and rights of integrity (where the performer could claim damages in respect of any distortion, mutilation or other modification of his performance that would be prejudicial to his reputation). Mere removal of any portion of a performance for the purposes of editing or formatting shall not be deemed to be prejudicial to the performer's reputation.

### ***Miscellaneous Amendments***

#### ► ***New definitions:***

- A new definition has been added for 'commercial rental' to the effect that it does not include the rental, lease or lending of a lawfully acquired copy of a computer programme, sound recording, visual recording or cinematograph film for non-profit purposes by a non-profit library or non-profit educational institution;
- Another new definition has been added for 'Rights Management Information' to mean:
  - The title or other information identifying the work or performance;
  - The name of the author or performer;
  - The name and address of the owner of rights;
  - Terms and conditions regarding the use of the rights; and
  - Any number or code that represents the information referred to in sub clauses (a) to (d)

It does not include any device or procedure intended to identify the user.

► ***Amendments to the constitution etc., of Copyright Board:*** The constitution of the Copyright Board has been trimmed to three members including the

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Chairman. This is in stark contrast to the old Act that permitted up to 14 members on the Board. The Board has also been given powers to issue interim orders in an appeal preferred by an aggrieved person against the tariff scheme published by the copyright societies. These interim orders are restricted to fixing interim tariffs and directing the aggrieved parties to make the payment pending disposal of the appeal.

▶ **Duration of copyright for photographs increased:-** The duration of copyright in photographs has been increased from 60 years to life of the author plus 60 years.

▶ **Scope of compulsory licenses expanded:-** The scope of compulsory licenses has been expanded as follows:

- As regards compulsory license in respect of works withheld from the public, earlier position was that only 'Indian works' could be licensed. With the amendments, 'any work' may be licensed;
- Further, the ambiguity regarding the grant of a compulsory license in respect of works withheld from the public only to one complainant has been removed by substituting the words, 'license to the complainant' with 'license to such person or persons';
- The provision regarding compulsory license in unpublished Indian works has been expanded to include unpublished and published works. Under this amended provision, in the case of any unpublished work or any work published or communicated to the public and the work is withheld from the public in India, the author is dead or unknown or cannot be traced or the owner of copyright in such work cannot be found, any person may apply to the Copyright Board for a license to publish or communicate to the public such work or a translation thereof in any language. Prior to the amendment, only the right to publish or translate the work could be granted;
- Any person working for the benefit of persons with disability on a profit basis or for business may apply to the Copyright Board for a compulsory license to publish any work in which copyright subsists for the benefit of such persons. After satisfying itself of the credentials of the applicant

and giving reasonable opportunity of being heard to the owners of copyright in such work, the Board may issue a compulsory license to the applicant. All compulsory licenses issued in such manner shall specify the means and format of publication, the period of such license, number of copies where applicable and the rate of royalty payable.

▶ **Role of copyright societies:-** With the new amendments, the role and function of copyright societies have changed to a significant extent. The amendments have sought to secure in favour of the authors and other owners of copyright a controlling interest in the functioning of these societies. Some of the relevant amendments are listed below:

- The business of issuing or granting of licenses in respect of literary, dramatic, musical and artistic works incorporated in a cinematograph film or sound recording shall be carried out only through a registered copyright society;
- The registration of a copyright society shall be renewed every five years and such renewal shall be subject to the continued collective control of the copyright society being shared with the authors of the works in their capacity as owners of copyright or of the right to receive royalty;
- Every copyright society must be subject to the collective control of the authors and other owners of rights in the various functions of the society including its procedures of collection and distribution of fees, utilization of the amounts collected as fees for purposes other than distribution to the authors and providing the owners regular updated information regarding its activities;
- Every copyright society shall publish its Tariff Scheme and any person who is aggrieved by the Tariff Scheme may appeal to the Copyright Board. The Board, if satisfied after holding necessary inquiries may make orders to remove any unreasonable element from the Tariff Scheme. The Board also has the powers to fix interim tariff and direct the parties to make the payment pending disposal of the appeal.

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► **Exceptions to copyright infringement:-** Section 52 of the Act has been amended to expand the scope of exceptions to copyright infringement. Some of the new amendments are as follows:

- The scope of fair dealing has been extended to include all works as opposed to just literary, dramatic, musical or artistic works;
- Fair dealing now applies to all works except computer programs and covers private or personal use including research, criticism or review and reporting of current events and current affairs;
- Transient or incidental storage of a work or performance purely in the technical process of electronic transmission or communication to the public or for the purposes of providing electronic links, access or integration;
- Transient or incidental storage of a work or performance for the purpose of providing electronic links, access or integration where such links, access or integration have not been expressly prohibited by the right holder. However, if the person responsible for such storage (such as an intermediary) is aware or has reasonable grounds for believing that such storage is of an infringing copy, this exception would not apply. Provided that if the person responsible has received a written complaint from the copyright owner regarding the storage, he shall refrain from facilitating such link, access or integration for twenty-one days within which the copyright owner would have to produce a restraining order from a competent court;
- The storing of a work in any medium by electronic means by a non-commercial public library, for preservation if the library already possesses a non-digital copy of the work;
- The making of a three-dimensional object from a two-dimensional artistic work, such as a technical

drawing for the purposes of industrial application of any purely functional part of a useful device;

- The adaptation, reproduction, issue of copies or communication to the public of any work in any accessible format by any person to facilitate persons with disability to access to works including sharing with any person with disability of such accessible format for private or personal use, educational purpose or research by any organization working for the benefit of the persons with disabilities in case the normal format prevents enjoyment of such works by such persons. Copies of the works in such accessible formats are made available to persons with disabilities on a non-profit basis only. Further, any organization undertaking such exercise shall ensure that the copies of the works in such accessible formats are used only by persons with disabilities and shall take reasonable steps to prevent the entry of such copies into ordinary channels of business.

► **Owners of copyright can directly prevent importation of infringing copies:-** Under the old Act, to prevent importation of infringing copies of a work, the owner of the copyright would have to write to the Registrar of Copyrights to take charge of the situation. The amended Act now permits the copyright owner to write to the Commissioner of Customs to prevent such infringing copies from entering India. However, works that are in transit would not be affected by any order passed under this amended provision.

► **Protection of technological measures:-** Circumvention of technological measures applied for the purpose of protection of rights conferred under the Act with the intention of infringing such rights has been made punishable with imprisonment. Civil remedies are also available.

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